



1.5 Learning lessons slowly: artisanal millers associations in Ghana

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Introduction

Artisanal millers associations include many people who previously worked illegally as chainsaw millers. The associations were established in response to the concept of artisanal milling, which was introduced to replace illegal chainsaw milling. The formation of the associations was facilitated through a donor-funded project starting in 2007 that aimed to address the lack of supply of legal lumber to the domestic market. The project supported capacity building for individual members and the associations as a whole, and facilitated linkages between the associations and key institutions and stakeholders.

The associations have rapidly grown in numbers and in technical knowledge. However, due to the slow pace of the legislative process, artisanal milling is still in the pilot stage. This is resulting in disenchantment, disillusionment and sheer frustration, and some members are returning to illegal activities.



THE FORMATION OF ARTISANAL MILLERS ASSOCIATIONS STARTED AS A POLICY INTERVENTION. THEY ARE STILL EVOLVING, AND CHALLENGES REMAIN.

The history of chainsaw milling in Ghana

Chainsaws were introduced in Ghana in the 1960s, but their use was mainly limited to harvesting or logging and cross-cutting, not lumber production. In the mid-1980s, however, when the wood-processing sector in Ghana collapsed, illegal chainsaw milling was able to provide a major part of the supply of lumber, particularly to the domestic market. When the processing sector began to bounce back in the 1990s, the government tried to regulate chainsaw milling, but by then it had become widespread, due to a regulatory vacuum (Agyeman, Agyeman and Kyere 2004).

The practice was banned in 1997, but for various reasons — including the lower price of chainsaw lumber, direct revenue for farmers who had trees on their land, and a generally ineffective forest governance regime — the practice persisted and even escalated. By 2007,

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illegal chainsawn lumber constituted as much as 84% of the lumber on the domestic market. All attempts to enforce the ban failed.

A 2010 study critically examined the drivers and consequences of chainsaw milling in Ghana (Marfo 2010). The practice was found to have a number of negative effects, including high inefficiencies and loss of revenue to the government (in unpaid stump-age fees) as well as environmental and ecological damage (Adam and Dua-Gyamfi 2009a; 2009b). In terms of positive effects, the study found that chainsaw milling provided employment and livelihood opportunities for many people, with immediate returns (in cash or in kind) to farmers with trees on their farms. (Under the current legal regime farmers who tend trees on their farms receive no share of the benefits of timber harvesting).

The emergence of artisanal milling

The concept of artisanal milling was developed through a multi-stakeholder consultative process. The goal was to minimize the negative effects of chainsaw milling while optimizing its benefits. In response, a new policy initiative was created. Artisanal millers would work jointly with the formal forestry, timber and wood-based industries to supply legal lumber to the domestic market (Box 1).

Box 1. Artisanal milling

Artisanal milling is small-scale milling of timber from specified legal sources by a trained, certified, registered and licensed Ghanaian artisan, using licensed mobile sawmilling equipment that excludes any form of freehand chainsaw milling and is capable of recovering at least 50% of dimension lumber from logs for the domestic market only.

In 2012, a project funded by the Food and Agriculture Organization and the African, Caribbean and Pacific Group of States and implemented by TBI Ghana initiated a process to advance artisanal milling from a policy strategy to a business practice. The project developed methods and strategies for linking artisanal milling groups/associations to timber utilization contract holders (concessionaires), so they could form partnerships to produce legal lumber for the domestic market. Links were established with ODEN (Husqvarna) Ghana Limited, a supplier of mobile sawmilling machines. The company provided milling equipment and a Norwood milling machine for converting wood into lumber through a hire-purchase arrangement to an artisanal milling group in the community of Obogu. The Ghana government's Forestry Commission also procured two LT20 Wood Mizer band-saw mills.

TBI Ghana — in partnership with the Forestry Research Institute of Ghana, the Forestry Commission Training Centre and Rabmill, a small-scale sawmill company — developed a curriculum for the technical training of the artisanal millers association members in the safe handling and efficient use of portable band-saw mills. Other capacity-building

activities, which were carried out in collaboration with the Business Advisory Centre, covered “soft skills” such as group dynamics and leadership development as well as business management and development of a business plans.

Role and status of the association

The concept of artisanal milling is being piloted by the associations. In all, six artisanal millers associations were formed; four have been legally registered and have acquired licenses. Associations first need to register with the registrar general department of Ghana to obtain a certificate to commence business, and then register their timber-processing equipment with the timber industry development division of the Forestry Commission.

The four associations established to date are in Assin-Fosu (Assin-Fosu Forest District), Sankore and Akrodie (Goaso Forest District), and Insu-Siding (Tarkwa Forest District). Each association is made up of about 50 former illegal chainsaw millers, who are linked to timber utilization contract holders through a business partnership agreement to obtain legal logs for producing lumber for the domestic market. The Forestry Commission also gives confiscated logs (from illegal loggers) to the associations for processing.

Currently, the associations are milling efficiently, with recovery rates of 55 to 70%, and are adhering to milling and transportation regulations. Residues from their milling activities are being used for commercial charcoal production using efficient metal kilns by former lumber carriers (mostly women) who have also been trained by the project. The artisanal millers associations have also been linked to members of the Domestic Lumber Traders’ Association, who sometimes pre-finance their activities and who also buy the legal lumber produced by the associations through formal business agreements.



Factors that strengthen the associations

A number of factors account for the current strength of the associations. Paramount among these is the mutually beneficial situation created by the artisanal milling concept for many, if not all, stakeholders. Artisanal milling provides an opportunity for previously criminalized actors to operate legally. This has motivated association members

to expand their legitimate business activities and reduces illegal operations. This in turn benefits the Forestry Commission and law enforcement agencies as it frees up time and resources that were previously spent on trying — unsuccessfully — to enforce the ban. Timber utilization contract holders also gain from the arrangement, since in principle it reduces the number of trees that are poached from their concession areas. They now have formal agreements to sell any unremoved timber yield to artisanal millers, who commit to helping protect the resource.

Other crucial factors include the diverse capacity-building activities carried out by TBI Ghana and its partners, the linkages brokered with key sector stakeholders, and the in-kind support in the form of equipment received from the government and equipment

suppliers. None of these factors would have amounted to much, however, without a policy that allowed artisanal millers to operate legally.

Another key factor that has generated much support for the artisanal millers associations has been Ghana's Voluntary Partnership Agreement (VPA) with the European Union.

Through the VPA, Ghana committed not only to selling only legal timber to the EU, but to ensuring that all timber in its domestic market would also be legal. This created the need to address the supply of timber to the domestic market, which as revealed by Marfo (2010) was largely illegal. Ghana sees the artisanal milling concept as an opportunity to address illegal chainsaw milling and to supply legal lumber to the domestic market, while also addressing livelihood needs.



Other factors have also contributed to the momentum of the artisanal millers associations:

- the demand for legal lumber for the domestic market, including the VPA, intensified law enforcement and led to a strong campaign by civil society organizations against illegal chainsaw milling;
- the development of the Public Procurement Policy for Lumber and Lumber Products by the Timber Industries Development Division of the Forestry Commission and major stakeholders, which requires that only legal lumber be used in all public projects;
- the opportunity offered by the artisanal milling concept to transform former illegal chainsaw milling actors into legal producers of lumber for the domestic market;
- the recognition by the Forest Services Division of the Forestry Commission of artisanal millers as partners in helping to sustain forest resources, and the cooperation between the artisanal millers and the division, especially in areas where the concept is being piloted;
- the possibility of traders and concessionaires partnering with artisanal millers associations to buy and sell legal lumber on the domestic market, which was established through the platform created for building trust among major stakeholders; and
- the serious commitment of major stakeholders, the Forestry Commission and the formal timber industry to find an alternative to illegal chainsaw milling, and the unanimous acceptance of the artisanal milling concept.

Challenges

The concept of artisanal milling is a new alternative to illegal chainsaw milling in the forestry sector of Ghana. The formation of artisanal millers associations started as a policy intervention. It is still evolving, and challenges remain (Parker McKeown, Amonoo and Sampene 2014). The main challenge has been the slow pace of policy processes; the necessary legislation to implement artisanal milling has not yet been fully implemented.

The concept is still in the pilot stage, which has given rise to feelings of insecurity among the artisanal millers. This has resulted in disenchantment and frustration, with some members returning to illegal activities.

Members of artisanal millers association members face the following challenges:

- the initial investment cost of equipment, and the need for training;
- the large numbers of former illegal operators who are willing to convert to artisanal milling, which may outstrip the demand;
- a limited supply of logs, since most forest resources have already been allocated in long-term contracts to conventional millers and loggers;
- agreeing on prices for logs, and difficulties and delays during negotiations with concession holders;
- mistrust between artisanal millers and concession holders and lumber traders;
- the persistence of illegal activities in some areas due to political interference and weak enforcement;
- weak controls with respect to overland timber exports, which draw from the supplies to the domestic market;
- abuses of the system, corruption, and adoption of the artisanal milling without the necessary safeguards; and
- the existence of illegal sawmills.

Lessons learned

Artisanal millers associations have the potential to transform illegal chainsaw milling and trade in Ghana. It is anticipated that they will ensure sustainable sources of livelihood, lawful employment, less conflict, improved wood products, better value for money, higher revenues, sustainable forest management practices and efficient milling practices.



The multi-stakeholder platforms created at the district and national levels to discuss chainsaw milling allowed for broad stakeholder participation in policy development, which was innovative. This process helped establish internal structures and mechanisms to monitor and evaluate the activities of the artisanal millers associations. It also allowed for effective communication systems to be put in

place, such as weekly association meetings to share and inform all members of any current events and to hear and respond to their feedback.

Conclusions

The formation of artisanal millers associations provides an opportunity to legalize the domestic lumber market in Ghana. To sustain the gains already achieved and harness the full potential of the concept, the following recommendations are put forward:

- The policy to allow artisanal millers to produce lumber for the domestic market should be implemented nationwide.

- Procedures for resource allocations should be revisited, to make it possible for artisanal millers to have direct access to the resource, rather than going through concessionaires.
- Ongoing capacity building of the artisanal millers' associations across the country is needed, both for advocacy and efficient operations.
- Public awareness campaigns are needed on artisanal milling and its potential to supply legal lumber to the domestic market.
- Intensified enforcement of the ban on illegal chainsaw milling and stiffer punishments for illegal operators are required in order to increase the viability of artisanal milling.
- Facilities should be created to offer micro-credit to members of artisanal millers' associations to enable them acquire the necessary equipment.

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